



# THE TRUMP BUDGET FOR 2021 “HIGHLIGHTS” OF A BUDGET FOR THE 1%

*“I’ve also made an ironclad pledge to American families: We will always protect patients with pre-existing conditions. And we will always protect your Medicare and we will always protect your Social Security. Always.” – President Donald Trump, [State of the Union Address](#), Feb. 4, 2020*

## **OVER 10 YEARS, THE TRUMP BUDGET MAKES ENORMOUS CUTS, INCLUDING \$1.6 TRILLION\* TO FEDERAL HEALTH SPENDING:**

### **\$500 Billion Cut from Medicare**

Although the Trump Budget artfully avoids direct cuts to Medicare benefits, it potentially puts tens of millions of seniors at risk by slashing billions of dollars in Medicare funding that supports hospitals and other health providers. Cuts include:

- Medicare hospital reimbursement for beneficiaries’ bad debt: \$33.6 billion
- Medicare hospital reimbursement for providing uncompensated care to low-income patients: \$87.9 billion
- Federal funding for Graduate Medical Education programs: \$52.2 billion
- Medicare hospice reimbursement in skilled nursing facilities and nursing facilities: \$4.5 billion

### **\$900 Billion Cut from Medicaid**

In addition to Medicaid work requirements, block grants, and per capita caps featured in the President’s “health reform vision,” the Trump Budget proposes a number of Medicaid cuts clearly intended to cut enrollment and reduce access to care, including:

- Permitting states to raise emergency department copays: \$1.8 billion
- Stopping Medicaid payments if enrollees do not verify immigration status: \$2.6 billion
- Allowing states to use asset tests to determine eligibility: \$2.2 billion
- Allowing states to lower the maximum allowed home equity for eligibility: \$34.2 billion

### **\$844 Billion Cut from Federal Health Programs**

The Trump Budget cuts \$844 billion in federal health funding over a decade by implementing “the President’s health reform vision” – a proposal that would impose cruel work requirements, block grants, and per capita caps on Medicaid but somehow promises to “protect the most vulnerable, especially those with pre-existing conditions, and provide the affordability, choice, and control Americans want.”

- The Medicaid “community engagement” work requirements alone are estimated to cut over \$152 billion from Medicaid over a decade, which cannot possibly be achieved without kicking people off their coverage.
- Although the Budget does not provide many details on this proposal, Trump’s promises to protect individuals with pre-existing conditions have been proven [false](#).

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\*The cuts to Medicaid, “federal health funding,” and Medicare do not total \$1.6 trillion because they overlap.

## OTHER 10-YEAR CUTS INCLUDE:

**Up to \$71 Billion Cut from Social Security:** \$24 billion in the Social Security budget function; some portion of \$47 billion more via “new approaches to increase labor force participation” in an unallocated budget function

**\$76 Billion Cut from Disability Programs**, including tens of billions to SSDI

**\$293 Billion Cut from What the Trump Budget Calls “Welfare Reform”**

- Supplemental Nutrition Assistance Program (SNAP, or food stamps): \$182 billion
- Temporary Assistance for Needy Families (TANF): \$21 billion
- Social Services Block Grant (SSBG): \$17 billion
- Child Tax Credit (CTC) / EITC: \$73 billion

### Cuts to Public Health Research

- National Institutes of Health (NIH): \$77 billion
- Centers for Disease Control and Prevention (CDC): \$23 billion
- Substance Abuse and Mental Health Service Administration (SAMHSA): \$8 billion

**\$170 Billion in Cuts to College Affordability Initiatives**

- Eliminates Federal Supplemental Educational Opportunity Grants (SEOG) that provide need-based aid to undergraduate students: \$9.7 billion
- Eliminates the GEAR UP college prep program: \$4.1 billion
- Eliminates Strengthening Institutions Program that benefits HBCUs: \$1.2 billion
- Eliminates Public Service Loan Forgiveness: \$52 billion
- Eliminates subsidized student loans: \$18 billion
- Limits graduate student loans: \$28 billion
- Cuts Federal Work Study: \$8.2 billion

**\$4.6 Trillion Total Cut in Non-Interest Spending**

**\$1.9 Trillion Cut to Total Non-Defense Discretionary Budget Authority**

- By the tenth year of the Trump Budget, non-defense discretionary spending would represent just 1.4 percent of GDP. The 50-year historical average has been [3.8 percent](#)

## YEAR-OVER-YEAR AGENCY CUTS INCLUDE:

**26.5 Percent, or \$2.4 Billion Cut to the Environmental Protection Agency**

- The only reference to “climate change” in the Trump Budget is a [proposal to repeal](#) voluntary programs

**20.9 Percent, or \$11.7 Billion Cut to the Department of State**

- Includes a [34 percent](#) cut to Global Health Programs during the coronavirus outbreak

**7.8 Percent, or \$5.6 Billion Cut to the Department of Education**

- Over 10 years, the Trump Budget proposes to cut K-12 education by \$85 billion

## 10-YEAR SPENDING INCREASES INCLUDE:

**\$228 Billion Increase in Base Defense Budget Authority**

- This despite the fact that the United States spends more on defense than the [next 10 countries](#) combined.

**\$2 billion in Funding for a Wall on the Southern Border**

- This is in addition to the [\\$6.7 billion](#) in FY 2019 funding that was already diverted from other accounts to fund the misguided border wall and the [\\$7.2 billion](#) that the Administration intends to raid this year.

**TAX CUTS INCLUDE:**

**\$1.4 Trillion to Extend the Trump Tax Cuts through 2030, Including:**

- Gift and estate tax cut extension: \$51 billion
- Corporate tax cut extension: \$31 billion

**TRUMP’S MADE-UP ECONOMIC GROWTH NUMBERS:**

The Trump Budget uses overly-optimistic economic projections. Compared with CBO’s projections from last month, the President’s budget includes economic growth assumptions that have little basis in reality.

Projected Real Year-Over-Year (CY Q4/Q4) GDP Growth											
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
<b>OMB</b>	3.1	3.0	3.0	3.0	3.0	2.9	2.8	2.8	2.8	2.8	2.8
<b>CBO</b>	2.2	1.8	1.6	1.6	1.5	1.5	1.6	1.8	1.7	1.7	1.7

**OTHER SPECIFIC PROGRAMS (WITH 2020 FUNDING LEVEL) THAT TRUMP WOULD ELIMINATE INCLUDE:**

- Abandoned Mine Land Grants: \$115 million
- Agency for Healthcare Research and Quality: \$338 million
- Choice Neighborhoods: \$175 million
- Community Development Block Grant: \$3.4 billion
- Community Services Block Grant: \$740 million
- Corporation for National and Community Service: \$1.1 billion
- Corporation for Public Broadcasting: \$465 million
- D.C. Tuition Assistance Grants: \$40 million
- Economic and Development Assistance Accounts: \$4.2 billion
- Federal Supplemental Educational Opportunity Grants: \$865 million
- Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP): \$365 million
- Highway Infrastructure Programs: \$2.2 billion
- HOME Investment Partnerships Program: \$1.4 billion
- Institute of Museum and Library Services: \$252 million
- Legal Services Corporation: \$440 million
- Low Income Home Energy Assistance Program: \$3.7 billion
- National Endowment for the Arts: \$162 million
- National Endowment for the Humanities: \$162 million
- National Oceanic and Atmospheric Administration Grants and Education: \$287 million
- Neighborhood Reinvestment Corporation: \$159 million
- P.L. 480 Title II Food Aid (international assistance): \$1.7 billion
- Port Infrastructure Development Program: \$225 million
- Regional Commissions (Delta Regional Authority / Denali Commission / Northern Border Regional Commission): \$72 million
- Senior Community Service Employment Program: \$405 million
- Transit Infrastructure Grants: \$510 million